

USAWC STRATEGY RESEARCH PROJECT

**STRATEGIC CHALLENGES IN THE REGIONAL
ENVIRONMENT FACING CHILE**

by

Lieutenant Colonel Roberto F. Mercado
Chilean Army

Gary H. Maybarduk, Ph.D.
Project Advisor

This SRP is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013

Report Documentation Page			Form Approved OMB No. 0704-0188		
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 03 MAY 2004		2. REPORT TYPE		3. DATES COVERED -	
4. TITLE AND SUBTITLE Strategic Challenges in the Regional Environment Facing Chile				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S) Roberto Mercado				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) U.S. Army War College, Carlisle Barracks, Carlisle, PA, 17013-5050				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT See attached file.					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES 38	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

ABSTRACT

AUTHOR: Ltc. (Chile) Roberto F. Mercado.

TITLE: Strategic Challenges in the Regional Environment Facing Chile

FORMAT: Strategy Research Project

DATE: 19 March 2004 PAGES: 38 CLASSIFICATION: Unclassified

This paper seeks to define how emergent threats are affecting Chile and identify those most likely to undermine the national interest of the country. By doing so, it will be possible to determine if the Chilean Defense Policy meets these new challenges or if action needs to be taken in order to protect the national interest.

TABLE OF CONTENTS

ABSTRACT.....	iii
ACKNOWLEDGEMENTS	vii
STRATEGIC CHALLENGES IN THE REGIONAL ENVIRONMENT FACING CHILE	1
THE INTERNATIONAL SYSTEM	1
THE NATURE OF THREATS IN CHILE	2
CONVENTIONAL THREATS:.....	3
TERRITORIAL PROBLEMS WITH BOLIVIA.	3
NON-CONVENTIONAL THREATS	5
PERCEPTIONS OF THREATS IN CHILE	6
DRUG TRAFFICKING AND CONSUMPTION	6
TERRORISM.....	7
NATURAL RESOURCES AND ENVIRONMENTAL DETERIORATION	8
ETHNIC GROUPS CLAIMS	9
CRIMINAL VIOLENCE	9
MIGRATIONS.....	10
INTEGRATION OF MARKETS AND INTEGRATION OF THREATS	10
THE CHILEAN DEFENSE POLICY AND THE PERCEPTION OF THREATS	13
A NATIONAL THEORETICAL APPROACH	13
A NATIONAL PRACTICAL APPROACH.....	14
THE NATIONAL DEFENSE POLICY AND THE CURRENT THREATS	17
CONVENTIONAL THREATS	17
NON-CONVENTIONAL THREATS	18
CONCLUSIONS	19
ENDNOTES	23
BIBLIOGRAPHY	29

ACKNOWLEDGEMENTS

This paper is dedicated to my family, which has been the best support that somebody can ever have.

To the “*Always Victorious and Never Defeated*” Chilean Army, whose uniform I am proud to wear.

To the Chilean Army War College that provided me the professional skills to confidently face any challenge.

To my Project Adviser, Mr. Gary Maybarduk who was always willing to give me advise and guidance throughout the preparation of this work.

To the wonderful people of the U.S. Army War College that made this year of learning and study a great experience that I will never forget.

STRATEGIC CHALLENGES IN THE REGIONAL ENVIRONMENT FACING CHILE

The end of the Cold War, the collapse of communism and the reunification of Germany allowed the emergence of political and social phenomena with significant effects in the life of nations. Indeed, the globalization of economics and communications, more interdependent relationships among the states, proliferation of international non-state actors and the broader extension of the multinational companies worldwide have characterized the nature of the international affairs as well as created new paradigms in international relationships at the beginning of the XXI century. This paradigm is called globalization, characterized as a fragmented process.

Thus, not only has produced this new scenario a new paradigm in international relationships, where the debate about state sovereignty has a major importance ¹, but also has created new kinds of threats which have been developed according to the characteristics afore mentioned. These new threats affect the actors with different intensity due to the fragmented nature of the relationships among them, where regional context has a large importance.

This paper seeks to define how emergent threats are affecting Chile and which of them is more likely to interfere the national interest of the country. By doing so, it will be possible to realize whether the Chilean Defense Policy meets these new challenges or the actions to be taken in order to either improve the policy or protect the national interest.

THE INTERNATIONAL SYSTEM

An immediate consequence of globalization -as a new paradigm in international relationships- that can be observed is the restriction of sovereignty of nations and the continuation of disputes of ethnic and racial character; besides traditional interstate conflicts and of an "emergent" nature have generated a new scenario. This panorama happens in an environment where all states by necessity depend on other actors, since they cannot promote completely by themselves their national interests, an aspect that, increasingly, is translated in a tendency toward international cooperation².

This process has introduced new political and strategic trends and challenges to the international system, where the concept of the nation-state as the main actor has changed. Furthermore, the world has been moving from a bipolar system towards a fragmented and instable one where unclear challenges have been modifying the traditional notions related to international security.

As mentioned before, during the last decade a system of global government has developed. This is a phenomenon that is still underway but it has well defined characteristics where procedures and institutions work on shared values such as democracy, human rights, open international economy and the option of cooperation to face a complex international agenda, which has a global and transnational character³.

In this international system, we can find states with different influence and power, and where actors other than states can be found. In this sense, International Organizations such as The United Nations, American States Organization, European Union, can be mentioned. Also, Non-Governmental Organizations such as International Monetary Fund, World Bank, World Trade Organization, Greenpeace, Amnesty International and others have played a major role in international relationships. Other non-state actors are the Multi and Transnational Enterprises such as Microsoft, Sony Corp., Toyota and others which have become major elements of interaction throughout the world⁴. Trends towards the formation of big political and political-commercial blocks have also been emphasized⁵. This situation formulates new requirements and responsibilities over state sovereignty, where the uncertain degree to which the sovereign state can adapt its behavior and role to a series of deterritorializing forces is a major issue in the future⁶.

The dynamic process created by those actors and trends, the change in the balance of power among the major powers, as well as globalization (seen as the spread of liberal democratic values and free market all supported by revolution in technology and communications) have created new kinds of threats that are jeopardizing the future of many nation-states while mining the road to international stability⁷. These are situations that may interfere with the normal process in the international system and would cause damage to one or several actors.

THE NATURE OF THREATS IN CHILE

In spite of its peripheral geographic location in the globe, the dynamic forces that rule the international relationships at present have also affected Chile. As a matter of fact, the region's evolution has been turning around the dynamic created by globalization and regional development. This dynamic has had both positive and negatives effects in the continent where governments and societies are looking for suitable policies to optimize their insertion in the process⁸.

The framework for analyzing these negatives effects that the international system is facing today is based in two concepts stated in the "Book of National Defense of Chile". This book

summarizes the Chilean state doctrine over defense matters and defines the concepts that guide the state policy in this area in order to make an explicit statement that can be understood as the National Defense Policy. This book classifies threats⁹ in two groups: Conventional Threats and Non-Conventional Threats and Risks.

For analysis purposes, the concept of threat must be understood as a real or perceived action consciously or unconsciously caused by an eventual adversary, supposedly with the intention and capability to negatively affect one's own interest¹⁰.

CONVENTIONAL THREATS:

Without doubt, the new world order and the trends of solving problems based on a concept of "democratic peace"¹¹ have generated a common approach to a peaceful solution of controversies between states in the region. The region has seen a trend towards the decrease of conflicts between states. Nevertheless, it would be too premature to maintain that inter-state conflicts have disappeared at all.

In Chile's view, the conventional threats are those situations related to territorial or inter-state problems. The Chilean government does not discard these existing situations, susceptible of becoming a major menace to stability in the region despite the current international situation and the emergence of threats considered as "new"¹².

Despite Chile's very close relationship with Argentina, relationship based on cooperation and integration, there remains the potential threat materialized by a fluent interaction between the two countries¹³. Chile has also a territorial dispute because of ill-defined parts of the border with Argentine, that could lead to a traditional aspiration of that country over either Chilean territory (as the case of South Ice Fields) or an exit to the Pacific Ocean (as part of its geopolitical objectives).

The loss of territory that both Peru and Bolivia had after the Pacific War (1879-1883) are still present in the perceptions, feelings and even the military policies of both countries¹⁴.

TERRITORIAL PROBLEMS WITH BOLIVIA.

After the War of The Pacific (1879-1883) a Treaty of Peace, Friendship and Commerce signed by Bolivia and Chile in 1904, defined the borders between the two countries.

This treaty considers Chile's permanent and absolute ownership of all territory occupied by Chile after the War. As compensation, Bolivia received economic indemnities and a wide variety of special conditions to move its commercial goods through Chilean territory. By means of this treaty, Chile restored all the territory between parallels 23 and 24 that were conditionally

lent to Bolivia in the Treaty of 1874¹⁵. Summarizing, Chile's northern border was always limiting with Peru. Therefore, Bolivia never had its own exit to the sea.

Bolivia's locked geographic condition has been always an issue that has been used by different Bolivian governments to justify its inability to lead the country towards better standards of development. They have been trying to cover its permanent political crisis and economic inefficiency by blaming the Chileans for having taken its sovereign territory and thus blockaded its access to the sea. In its view, an exit to the sea would solve its entire problems.

Bolivia's claims and the permanent policy of its governments that seek to reclaim its territory in the Pacific as part of its National Permanent Objectives has created a difficult relationship between both countries. However, Chile has always given Bolivia with a number of special conditions to provide an easier way to facilitate its access to ports in the Pacific. Furthermore, as a way to solve definitively the mediterranean problem of Bolivia, Chile offered in 1975 a corridor located north of the Chilean city of Arica. The proposal considered exchanging this territory for an equal amount of land in Bolivia. As required in the Treaty of 1929 signed between Peru and Chile, the former must approve this exchange.

Peru proposed a solution totally different to the one offered by Chile and against the interest of both Chile and Bolivia. The Peruvian proposed a shared sovereignty in part of these territories, as well as another ones not considered in the Chilean proposition. That resulted in a cessation of conversations. Later, the Bolivian government proposed unilaterally as a solution for its problem to create three different enclaves in Chilean territory, which was absolutely discarded by the Chilean government.¹⁶. As a result, Bolivia cut off of diplomatic relations with Chile in 1978. However, both countries have kept their commercial ties while Chile still provides facilities to Bolivia in order to assure the export of its goods through Chilean ports.

In later years and after discovering natural gas fields in southern Bolivia, there was a project to sell this energy resource to United States, Canada and Mexico. To export this basic product, Bolivia required a port and the corresponding infrastructure to transport natural gas to the destination ports. The options presented by the companies involved in the project had two solutions: to build a pipeline from Bolivia to a Peruvian port or to build the pipeline oriented to a Chilean port. After analyzing the project, it was concluded that the Chilean option was the best due to practical, technological and economical factors. The project, if developed, would have brought many economic benefits to Bolivia, which would have helped solve its dramatic economic situation.

The outlet through Chile's territory once again highlighted the problem of a sovereign Bolivian port in the Pacific. The political opposition to former President of Bolivia Enrique

Sanchez de Losada took advantage of this issue to start claiming their “lost territories” and blaming the government for its incapacity to defend Bolivian national interests. After a period of violence, riots, strikes and social turmoil, President Sanchez de Losada was forced to resign the office. Vice-President Carlos Mesa took over power.

Bolivia was totally fragmented after this term of instability. The issue of Bolivia’s land-locked condition and the blame of Chile for interfering into country’s development triggered a Bolivian diplomatic international offensive aimed at finding a solution for the problem. It was also a way of getting internal cohesion and support for the civilian national authority¹⁷.

Currently, the Bolivian approach on this topic has been to open a multi-lateral debate in order to force Chile to negotiate a sovereign access to the Pacific Ocean. Bolivia has lobbied intensively in every international forum and organization trying to create international pressure against Chilean authorities¹⁸. The Chilean position is based on the bi-lateral nature of this issue and that no border disputes are a topic of the agenda between both countries¹⁹.

According to Arturo Valenzuela, former adviser for National Security Affairs during President Clinton’s Administration and Director of The Latin-American Studies Center of Georgetown University, this is a problem of National Security due to (Bolivia) is a neighbor country, a failed state, with an important instability situation. In his view, this affects the northern zone of Chile. A strong Bolivia would importantly help to improve the economic situation in Chile, but a failed Bolivia could be a major security problem²⁰.

Therefore, the dynamics between economic and territorial issues suggest the interaction of different elements that mix the nature of risks and threats and challenge the Chilean government’s ability to find the right policy and the suitable element of power to solve this problem.

The external and combined nature of the factors involved in this situation have a major importance in finding a solution since the Chilean government is interacting with elements that are not possible to manage, but rather can only influence.

NON-CONVENTIONAL THREATS

Unlike the threats above-mentioned, non-conventional menaces do not necessarily have a link or origin in the state. Most of them are social and transnational nature. In this context, it is possible to mention an emergent phenomena that affects the region with diverse intensity depending upon the specific social, political, and economical situation of each state, as well as their structure and interests²¹.

In these threats, issues of an internal character acquire dimensions that are related to the external security or they affect the internal situation of a country and then they gain international importance. In this context, to define clearly the role for the Armed Forces in these matters is vital.

The Chilean National Defense Policy considers that in this context it appears not to be suitable to reduce the missions of the Armed Forces just defend against traditional threats but rather to make them an active mechanism to establish new cooperation measures in the Defense environment²², such as trust building measures.

In the current international context, the Chilean State perspective considers cooperation as the main tool for facing these kinds of threats where the development of a national intelligence system is highly required. The Chilean policy also states that the definition of situations considered as threats to the country's security is a responsibility that belongs surely to the Chilean State²³.

PERCEPTIONS OF THREATS IN CHILE

Having defined the nature and characteristics of non-conventional threats, as well as the Chilean state perspective over these phenomena, it is necessary to analyze how some of those threats are affecting or could affect Chile at this moment or in the future²⁴. To this end, the paper will focus only in the situations that may affect Chilean stability where emergent threats that are not present in the country will not be covered.

DRUG TRAFFICKING AND CONSUMPTION

Drug trafficking is a characteristic threat of the contemporary world, which is very difficult to control because of the complexities and effects that it carries. This is even worse if it is considered that the increase in the consumption on a world level has allowed the growth of the influences of organized crime and subversive groups on one hand, and on the other, serious distortions in the economy of the states as a product of money laundering²⁵.

Chile is used as a bridge or springboard to deliver drugs (principally cocaine) to bigger markets. There is an increased amount of consumption within the country, especially in the lower levels of society, but the issue is still under control. In addition, there is a close relationship between criminal groups and drug dealers. Carabineros (Uniformed Police Force) and Investigaciones de Chile (Investigation Police) have the responsibility of fighting drug trafficking. They have had successful results.

According to the records of the Citizen Security Office (organization that belongs to the Ministry of Internal Affairs), the amount of different kinds of drugs (cocaine, marijuana, pharmaceutical) that were confiscated during the last three months of 2003 was inferior in comparison to the same term in 2002. The statistics also show that the amount of people arrested increased during the same period from 2002 to 2003²⁶.

Thus, this is a threat that is present in Chilean society but appears to be under control of the authorities that have developed a successful strategy to combat this issue.

TERRORISM

Presently there is a huge concern about terrorism due to the dramatic attack on the United States in 2001. According to "U.S. National Strategy Against Terrorism", these attacks were not just acts of war against the United States of America and its allies but against the very idea of civilized society. Thus, terrorist groups, regardless of their specific objectives or beliefs, exert violence over noncombatant targets in order to subvert the rule of law and reach their goals by means of violence and fear²⁷. Terrorism is a threat that has always existed but that has gotten new dimensions due to: access to technology, existence of an underground market of weapons of mass destruction (WMD), and the emergence of the concept of "cyber war" where computer hackers can cause severe damage to complex networks.

As a result of these terrible attacks and the policy consequently executed by the United States of America, both the deep interest of the United States to maintain the international fight against terrorism as the first priority in the international agenda and to make it the common denominator of the different national priorities in security and defense matters can be highlighted²⁸.

Due to the political, social and economic situation in the country, there is a trend to look at this threat as if it is too far away from Chile. The conditions for the emergence of terrorist groups in the country are not likely to happen. They are basically related to social and economic policies and the formation of groups that take armed ways towards their ends. Nevertheless, the government and the people of the country are deeply committed to the fight against terrorism. We must remember that we had a major terrorist attack on our neighbor Argentina some years ago²⁹. The Chilean government's commitment to fight terrorism, was demonstrated in November 2003, when the Chilean State enacted Law 19.906. This anti-terrorist law is designed to prosecute anybody who asks, gathers or provides funds for terrorist purposes. This law was made in order to adjust our regulations in accordance to the International Agreement to fight

terrorist groups funding³⁰. Besides the afore-mentioned, the enlistment of Chile in the “Interamerican Convention Against Terrorism” is ready to be voted in the Senate³¹.

In fact, there is no evidence of terrorist activities in Chile. However, the government keeps a strict control over situations that could lead or implies the developing of terrorism in any way in Chile, as well as, a strong commitment to collaborate with the international community. In this sense, the U.S.-led ‘war on terrorism’ has led the Chilean Government to focus on possible links to Middle Eastern terrorist groups and the large Arab business community living in the northern port of Iquique.³²

NATURAL RESOURCES AND ENVIRONMENTAL DETERIORATION

Natural Resources and Environmental deterioration correspond to the increasing ecological problems that have been turning into a threat to the development and well being of societies. In this sense, the lack of natural resources or its over exploitation, the demographic expansion, and the inequality of distribution make the management of water a major issue in the future. In the environmental area can be also found the high impact of pollution derived from a poor management of nuclear and chemical products and wastes³³. This is a natural concern in the country.

Chilean natural resources demand efficient and effective defense that prevent them from being depleted, over-exploited or polluted.

Another big concern is the over exploitation of our coast by Chilean and foreign fishing companies that are depleting the ocean. This has led to designated fishing quotas that directly affects the local fishermen, with the resulting natural complaints about the issue.

According a study of the Fishermen's Union, the fishing production sector generates 2 billion dollars a year that represents 12 % of the entire exports of Chile, as well as provides direct and indirect employment to 200.000 people. According to its research, after three decades of over exploitation more than 100 million tons of sea resources have been exported. In its view, today the main part of the resources and coastal and oceanic ecosystems are severely affected in its environmental stability, a situation that represents a major threat to coastal communities, small entrepreneurs, workers and consumers³⁴.

This Union, as well as other associations related to the extraction of sea resources, have taken different actions such as legal demands and street protest to try to protect their interests leading to violent riots that have had a major impact in the normal activities in the country.

ETHNIC GROUPS CLAIMS

In another area, a militant Mapuche³⁵ organization, the “Council of All the Lands”, launched a major escalation of pressure on the government in order to discuss their grievances. This organization took advantage of a situation related with the exploitation of natural forest in the south of Chile to start agitating for the rights of this ethnic group in the region. What at the beginning was an economic dispute with the enterprises involved turned into a social one with several occupations of farms and attacks against the owners, equipment and facilities of the companies related to the timber business, as well as private citizens in the area³⁶.

The government acted strongly by arresting, prosecuting and putting in jail all the leaders that were inciting these violent actions. Additionally, government measures also considered the establishment of arbitration proceedings and special talks with the group involved to find the best solutions for its demands. Presently, the problem is on its way to be solved and the situation in the area remains calm³⁷.

CRIMINAL VIOLENCE

According to Tulching and Golding, “one of the more striking features of the global community today is that large numbers of people around the world feel increasingly insecure”³⁸.

To cope with this issue, Chile, as well as many countries in the region, has started upon some form of police and judicial reform. In this sense, the Carabineros Police (a militarized police force), enjoys popular support because it is seen as being largely free of corruption and well disciplined. This corps has initiated a reform in the way to combat crime, the so-called “Plan Cuadrante”³⁹. This plan considers patrolling sectors based on the composition of the population, crime rates, and demand for police services. The idea is to place more police on the streets, redeploying them according the variables above-mentioned, establishing performance indicators to evaluate each member of the force, and strengthening relations with the community⁴⁰. All the statistics and coordination are executed at the Central Government level (Ministry of Internal Affairs) bureau that has the legal responsibility in these matters.

This is just one part of the efforts undertaken by the Government. Chile is in the middle of a process to modernize the judiciary system. The basic concepts of this reform are: to separate the investigative and judicial functions, faster and more transparent judicial procedures for criminals, guarantees for victims, increase by 400% in the people in charge of prosecution and a solution for the deficit in the penitentiary system⁴¹.

Even though there is a major commitment by the Civil National Authority to combat crime in Chile, statistics show an increasing criminal rate during the third semester of 2003 in Chile.

Nevertheless, according to Jane's November 2003 Sentinel Security Assessment in Chile "Crime rates have been rising since the Armed Forces relinquished control of national politics, but are moderate by regional standards. The Carabineros are probably the most effective and least corruptive law enforcement agency in Latin America. Violent street crime is still well below regional levels and less common than in developed countries"⁴². That figures make us think that these are successful measures and that we are being more effective in capturing and prosecuting criminals, keeping this threat under control⁴³.

MIGRATIONS

These are currents of people that are looking forward for better standards of life. Countries that are developing at a faster speed in a specific area, like Chile, are subjected to receiving citizens from other countries that emigrate in order to find work and welfare as a result of economical instability in their countries of origin⁴⁴.

An increasing dynamic is being generated in the interregional migrations from countries that have an unfavorable condition towards countries that present political and economical stability and hence offering better conditions for progress. The immigrant flows to Chile coming from Peru, Ecuador and even Argentina, Brazil and Cuba show this new reality. According to statistics of the Ministry of Internal Affairs provided to the "Special Commission for a Migration State Policy" in the Special Session 19th on 08 August 2001 in the National Congress, there was a flow of 155,000 in year 2000⁴⁵.

In this sense, Chile has received an important amount of legal and illegal immigrants of Asian, Peruvian and Bolivian origin. They are predominantly females from neighbor countries. At the moment there is no problem with this issue but there is concern if this flow continues at the same rate, Chile may have internal rivalries related principally to work sources and that could lead to social instability. However, the national principles that regulate this issue are solidarity and tolerance.

INTEGRATION OF MARKETS AND INTEGRATION OF THREATS

Nobody can deny that free market and capitalism are probably the best systems to improve the economy of countries, as well as incentives to compete for having better access to development and stability. However, these competing economies translate into different procedures and elements such as tariffs, taxes, protected imports, dumping, embargos and many other measures that can transform it into an economic war or even a conflict. Thus, as the political factors influence international trade, so the commercial relationships are able to decisively influence international affairs⁴⁶.

Furthermore, the present capitalist globalization stage is generating a double dynamic in the systemic structure: on one hand the reduction of the nation-state's role in the establishment of the system and the rise of several integration processes among the countries⁴⁷. Oviedo maintains that there is evidence that not everything is reduced to the market, since both unification and integration processes need coordination of different aspects that go beyond their own markets, such as currency, economic policies and even political union⁴⁸.

According to Mainul Islam, "the proposition that globalization makes states unnecessary is as incredible as the idea that it makes states impotent"⁴⁹.

A study by the "Chilean Army Military Studies and Research Center" concludes that "there is a significant importance to realize that there is a major trend to become integrated into blocks of countries where important international exchanges prevail"⁵⁰.

In conclusion, we can state that there is an undeniable trend towards economic integration and globalization where political aspects are involved beyond the market processes where the nation –state is still leading these dynamics. Since political processes are involved there is space for national security concerns when opposing positions among the partners are found.

Since 1974 Chile has been applying an economic model based on free and competitive markets that has turned into an important partner for many other states despite its small size and geographic location far away from the main centers of power. Due to that successful model Chile has find itself among the top economic performers in the region, with a growth rate of 3.2 % during year 2003, becoming the fourth most dynamic economy in Latin America.

This privileged situation has enabled Chile to participate in foreign markets. Chile has signed different agreements with economic blocks and individual countries. In the global context, the more important partners in this area have been United States⁵¹, The European Union⁵² and more recently South Korea⁵³.

The regional context presents some different aspects. Chile has based its economic model on free and competitive markets. However, Chile participates in MERCOSUR⁵⁴ as an associated partner and not as a permanent member. Through this condition, Chile is not entitled to use a special tariff which is equal with that of the exterior partner. So, Chile is not forced to subordinate its economic policies to that of the other associate countries especially if the better economic situation of Chile among the countries in the region is taken into account. Then, the country can keep a certain independence according to its own economic situation as well as that of the other members of MERCOSUR⁵⁵.

The evaluation of the impact of those aspects over the Chilean strategy towards development indicates that the alternative chosen by Chile is the most appropriate and in consonance with both external and economic policies.⁵⁶

Chilean commercial exchanges with its neighbor countries are very important for the economy and are a major priority in Chile's foreign policy. However, despite the excellent conditions for economic relations, there have been some signs that force the National Civil Authority to be careful in order to protect the national interest. I.e.:

- Chile buys natural gas from an Argentinean company. The natural gas used in Santiago comes from the neighboring country through a pipeline and is distributed in the Capital city, as well as in other regions. During the economic crisis in that country, there was a workers strike in the Argentinean gas plant that threatened to stop the supply (and they actually did so during few hours) of that energy resource with unthinkable consequences for Chile.
- A large number of Chilean private companies have important investments and businesses in Peru. Due to the traditional anti-Chilean feelings coming from the wounds left in the past in that country as a consequence of the War of the Pacific, many of those companies have been sued in order to affect their activities in that northern country. The most affected companies have been "Luchetti"⁶⁷ and Chile's National Airline (LAN CHILE-PERU)⁶⁸. Even though those are private companies the Chilean government has intervened in the controversies.
- Regarding Bolivia, in spite of not having diplomatic relations, there is an important commercial exchange between the two countries⁵⁹. Unfortunately, bi-lateral trade negotiations were suspended before the end of 2003 by Mesa's government. The main problem now is the claim of an outlet to the sea that Bolivia has been making since the last political crisis in that country during 2003 that led President Sanchez de Losada to resign. The triggering event of the Bolivian diplomatic offensive was not a territorial or political issue. In fact, it was an economic one. Everything started with the negotiation of a project intended to build a pipeline through Chilean territory in order to export Bolivian natural gas to countries in the Northern hemisphere. The project considered that the best option to take natural gas from southern Bolivia to an embarking port in the Pacific was through Chile⁶⁰. According to an article published in the on-line journal "Stratfor.biz", Bolivian President Mesa has made this territorial dispute with Chile the centerpiece of his interim government to avert a new indigenous revolt that could topple him from

power before mid-2004. By winning some kind of territorial concession, Mesa could ensure the survival of his presidency⁶¹.

The situations depicted above show the unstable nature of Chile's relations with the neighbor countries. No doubt, the facts above-mentioned are more positive than negative and there is a clear trend towards integration and multiple interactions, where conflict or tensions are not absent⁶².

The state of affairs with Bolivia is a clear situation where economic projects and matters are taken into consideration for making political decisions and then transforming them into a totally different issue that creates a new scenario to cope with due to national interests. Ergo, there is not a clear border between threats in the current relationships among countries in the region.

Summarizing, this chapter of this paper allows us to define two threats to the Chilean state that have common roots and are intrinsically related one to the other: the territorial dispute with Bolivia for its claim to an outlet of the Pacific Ocean started after economic negotiations that implied a more active interaction with that country in the economic field. Thus, both territorial and economic elements in the relations with Chile's neighbor appear as the key elements for the most probable scenario for disputes and controversies in the future.

In this regard, to define a national security policy, as well as, to improve the national defense policy to deal with this unclear environment demands a deep commitment by the authorities involved in these processes in order to determine the most realistic probable scenario where national particular interests have the highest priority.

THE CHILEAN DEFENSE POLICY AND THE PERCEPTION OF THREATS

A NATIONAL THEORETICAL APPROACH

According to Varas and Cruz, the new world environment and the trends towards regional cooperation have not significantly changed the perception of historical antagonism and territorial differences. These facts create friction areas, increase tension among the actors and negatively affect the bilateral relationships. In this context, non-conventional threats must also be considered. This is a clear proof of Morghentau's theory that considers that there is no friendship between countries but States with common or different interests⁶³.

In their view, it is highly suitable to keep a realistic approach on the defense policies in order to have a defense policy with a precise direction.

In the same context, the existence of a defense policy as part of the national policy is required. This policy must determine its own objectives and capabilities, as well as, the resources and actions to be taken to have it materialized⁶⁴.

According to the same authors, the characteristics of a national defense policy must consider the following aspects:

- To be a state policy and to have consequently a long-lasting component in order to project political scenarios not only in the near future, but also those that have a medium and long-term where proactive attitudes are needed. By being a state policy, coherence between higher-level policies and defense policy is likely to be achieved.
- To have a national character. That means to be tuned to the real conditions and possibilities of the country by not following schemes that are not suitable for the situation of the state. Thus, it would be possible to clearly define national and defense objectives, as well as threats, risks, challenges, and opportunities. It would also enable them to maintain the successful policies and to adjust the ones that have not reached their goals⁶⁵.

A NATIONAL PRACTICAL APPROACH

As mentioned before, the Chilean Defense Policy has been stated in the Book of the National Defense of Chile published in 2002. Through the direction exerted by the President of the Republic, the Chilean government -by means of this Book- shows its political will to address the evaluation of the international environment in order to define the needs for either change or continuation in the approach on security matters. Additionally, it reflects the government's will to provide transparency to the defense issues in order to both Chilean citizenry and international community can evaluate the actions of the Chilean state according to the intentions, objectives and capabilities that are publicly declared. Thus, it constitutes a tool for measuring the responsibility of the state in the world stage and for verifying the fulfillment of its international compromises⁶⁶.

The Book of the National Defense, defines the general guidelines of a Defense Policy by addressing the Chilean Government Defense Agenda. The National Civil Authority, the Armed Forces and the defense community prepared this agenda. They did it based on the current strategic situation, the situation of the Armed Forces and the policies of the government towards international cooperation. In its preparation, they considered an up dated evaluation of national defense doctrine, the modernization of the defense sector and the insertion of the national defense in the international affaires.

Firstly, it provides a doctrinary approach over the pillars where defense issues are based. In this sense, Defense is a good that benefits the whole national community. To guarantee this effect, the Chilean state considers the following conditions:

- The use of force belongs to the State.
- The State must organize, allocate resources, and define objectives in a national sense.
- The State must carry out this task on a continuous basis, both peace and wartime.

Secondly, depicts the modernization process of all the institutions that belongs to the defense sector, including the advances in the civil-military relationships as part of the efforts to modernize the Chilean State.

Finally, it considers the efforts done by the Chilean government towards international cooperation in defense and security matters through the actions in different fields such as peacekeeping operations, contribution to national development and budgeting.

On the whole, this policy considers the vision and the general guidelines that direct the action of the state over defense matters in a process that tries to evaluate the regional and global security situation by incorporating all the different elements that shape the global, regional and particular situation of the current strategic scenario.

Regarding threats, the National Defense Policy addresses these menaces as the most important situations related to National Defense matters. On the state's perspective, even though threats have a major role in defining the Defense planning, they do not cover the entire spectrum of situations that a modern concept of Defense must have. That is the reason why the policy also addresses issues that are not dominated by the concept of threats, like cooperation and international commitment towards cooperative behaviors. The policy also enhances the importance of detecting the opportunities to perform activities to ensure peace⁶⁷.

According to the statements of the Book of National Defense, this policy was also conceived bearing in mind the diverse nature of a more complex international security agenda that mixes traditional elements of international conflict with elements that have new dimensions and ranges.

Not only these new phenomena have forced Chile to not consider threats as elements isolated from the other components of the national interest, but also to open spaces for these emergent threats. The policy continues its analysis defining the concepts of "conventional" and "non-conventional" threats by giving a theoretical framework. In its view, non-conventional threats are more related to internal security than defense matters where the more important role is driven by the Order and Security Forces. In this sense, the Armed Forces have either a

supporting role to the National Civil Authorities for the internal matters or to the External Policy for the international ones⁶⁸.

Additionally, the policy also covers the concepts of “prevention” and “reaction”. In this matter, the policy states the need for developing public policies in order to prevent or fight any situation that could be detected. Accordingly, the state must organize and develop a public policy for each kind of threat to be faced⁶⁹. In its analysis, the global trends towards cooperation and integration suggest the need for an increasing participation of Defense in this role, where the Armed Forces are a key element. However, this must not deflect the accomplishment and execution of the constitutional role that the state has assigned them⁷⁰.

The Chilean Defense Policy also addresses its key elements, which are based on the National Objectives, the international context, the global and regional stability, and the nature of using the defense means.

Chile considers two sources of the Defense Policy, the “National Security Policy” and the “Global Political-Strategic Appraisal”⁷¹. To clarify the actual meaning of “source” in the above-mentioned concept this is not a principle or foundation rather a document that provides information or inspiration to formulate public policy.

Theoretically, National Security Policy establishes the criteria needed to harmonize and coordinate the actions between both the development and Defense environments in order to eliminate or lessen the country’s vulnerabilities by creating the conditions needed to reach the National Objectives. However, the Chilean State has not yet generated a group of criteria and orientations that can be called the National Security Policy. Nevertheless, while this National Security Policy has been implicit in the past it is now more explicit since the publication of the Book of the National Defense. According to the view of Civil Authorities, good coordination between the National Defense Policy, International Policy, development policies and internal security, appear to be sufficient to achieve the conditions of stability allowing Chile to attain the afore-mentioned objectives⁷² and to provide guidance to the Defense Policy.

On the other hand, the Global Political-Strategic Appraisal is the cornerstone of the Political-Strategic Planning System. It includes among other planning documents, the National War Plan and the National Mobilization Plan. This appraisal is a permanent, systematic and prospective analysis of National Objectives. Its main purpose is to propose goals focused on supporting the Defense Policy, as well as, the policies of other public sectors related to Defense. The result of the appraisal is a myriad of data and recommendations meant to give Civil Authorities the information required to make the best decision in order to preserve Chilean national interests.

Therefore, this analytical tool is the basic and most important pillar of the political-military strategic directives and the integral planning system used at the national level⁷³.

This process -meant to direct and guide the country's defense- is led by the President of the Republic through a regulated and systematized channel that goes from the highest decision-making level to the strategic or military level. This function comprises the authority of the President of the Republic to the Commanders in Chief of the different services of the Armed Forces through the Minister of Defense who becomes the natural chain of command for these purposes⁷⁴.

However, this is a process that has been developed after an evolution in the defense concepts that has not been followed by the natural modernization of the legal and regulative instruments.

On the whole, the National Defense Policy is a public document that tries to depict the strategic situation and to provide information on the Chilean government perspectives and will about Defense. It does not give specific guidance and orientation about non-conventional threats and does not establish a strategy to be executed to face these kinds of menaces.

THE NATIONAL DEFENSE POLICY AND THE CURRENT THREATS

Having established the characteristic of the security environment in Chile, there is a need to analyze if the National Defense Policy is appropriately addressing the threats that were determined as most probable to occur.

CONVENTIONAL THREATS

Concerning territorial threats, it can be established that the National Defense Policy properly faces this menace since the fact that traditional threats related to territorial disputes with Chile's neighbor countries are considered as feasible to occur.

In this sense, the maritime aspiration of Bolivia to have a sovereign exit to the Pacific Ocean is an ever-present issue in the relations between the two countries, where Chile has stated that the dispute was solved by the 1904's Treaty. In this regard, the National Defense Policy considers the use of the diplomatic element of power to deal with this issue. The military element of power is conceived to support the action in the diplomatic field by two different actions: professional advice on subjects such as security on a geostrategic perspective and, deterrence through permanent training, development of capabilities, and operational readiness of the Armed Forces. Nevertheless, an armed conflict between the two countries is unlikely to

happen because of the almost null Bolivian military capability, as well as the commitment of the authorities of both countries for finding a peaceful solution to this problem.

In conclusion, Chile has developed a clear strategy to face this issue through the coordinated action of different elements of national power.

NON-CONVENTIONAL THREATS

In general, the kinds of non-conventional threats facing Chile can be evaluated as moderate, since they have not had the dimension they have had in others country in the region. They also have an unclear border and scope, which make difficult to define a clear response of the National Defense Policy. However, this cannot be a scapegoat to not design and execute a strategy oriented to cope with these menaces. By not doing so, these threats could escalate to a higher risk to internal and regional stability if they are not properly addressed.

Regarding drug trafficking and consumption, the National Defense Policy does not specifically mention this threat. The policy just defines it by conceptualizing it in the context of non-conventional threats where the elements related to internal security seem to be properly coping with this issue.

In relation to terrorism, the situation is not different. Chile's national defense policy considers this threat just in the general context of non-conventional menaces. However, there is a clear policy of state aimed at combating this threat as part of the commitment for collaborating to the international community in this matter.

Talking about natural resources and environmental deterioration, it can be said that there is no clear defense response. The actions taken by the government gives responsibility in these matters to different organisms that are settled in the political and economic element of power. The defense sector has been involved in dealing with these threats according to the initiative originated in each service rather than executing a coordinated strategy coming from the Civil Authority.

Ethnic group claims is another threat where although a clear action, response, and position of the Chilean state, there is a lack of a well-defined strategy that considers the integration of the different elements of power. In this sense, just the political and internal security elements lead the governmental actions instead of a broader participation of all the components of the state.

Regarding criminal violence, the Chilean state has defined a clear and successful strategy that coordinates the efforts of lawmakers, judiciary system, and internal security forces.

In relation to migrations, the National Defense Policies addresses this threat in a general context without defining a clear strategy of ends, ways and means to cope with this issue.

The economic integration with Chile's neighbors countries have produced an interaction of different elements where the territorial component of this threat appears to be properly addressed by the defense policy due to the importance and clear guidelines this policy states to deal with assigns to the conventional threats. However, this policy is not that clear when addressing the non-conventional factors that could lead to tensions among the actors. In this sense, there is a lack of guidance and a comprehensive vision over the role of the different elements of power when coping with this threat.

Summarizing, the situation regarding non-conventional threats is covered in the Chilean policy. However, they have a common denominator. They are addressed only in a general context without clearly defining the kinds of threats that the country is more likely to face⁷⁵.

Another problem arises if it is considered that there is not an explicit National Security Strategy that could provide clear guidance and direction to the different elements of power in order to coordinate their efforts to safeguard the national interest of the country when facing non-conventional threats.

According to the Defense Policy, the National Security Policy is considered implicit in the different laws, agreements, pacts, regulations, and other documents that rule the action of different governmental organizations and institutions that have the task to undertake the mission of eliminating and decreasing the country's vulnerabilities. As a contradiction, the policy also states that there is a probable need to create institutional methods and organizations to link the different public sectors, as well as to improve the existing ones and where there are no clear signs of political will to do it so.

Therefore, it can be assumed that there is a lack of specific criteria and coordination to have a common and coordinated approach to the economic threats that the country could face in the future. In this context, it can be assumed that if Chile had developed a well-defined National Security Policy it would have been possible to forecast the actions that the Bolivian government took when facing the decision for the natural gas pipe-line, the results of the political crisis in that country, and more importantly, the renewal of its claim for an outlet to the Pacific.

CONCLUSIONS

Globalization has effects over sovereignty of nation-states, due to the interdependence of the different interests involved. Nation-States still are the main actors in the international arena

within the political environment. However, multinational corporations are becoming dominant subjects in the world economy creating a new spectrum of risks, threats and challenges.

In this new environment, risks and threats derived from the globalization process have different causes and effects in the countries of the region. For that reason, Chile has emphasized its sovereign right in defining their own perception of threat as well as the ways and means that could be used to face them.

In this context, Chile has addressed the issue of security strategy by establishing a National Defense Policy that constitutes the main guideline and direction of the defense element of power in this area, where the military is one of the formative parts of this concept.

According to the regional situation, Chile has defined in its defense policy the nature and characteristics of two groups of threats: Conventional and Non-Conventional.

The conventional ones are defined as those related to traditional threats that have their origin in territorial disputes with neighbor countries. In this context, the Bolivian claim over a sovereign exit to the Pacific Ocean is a permanent issue that once again has produced tensions in the relationships between both countries in recent times.

On the other hand, the non-conventional threats are just defined in characteristics and nature but they are not addressed in a specific way. By doing so, the defense policy creates an unclear scenario that could lead to reactions more than actions in the prevention of the escalation of these kinds of threats. Additionally, the situation with Bolivia is clearly showing that traditional threats remain even while new ones emerge.

The lack of an explicit statement of a National Security Policy is a deficiency that should be addressed by the National Civil Authority in order to create the guidelines, organizations, and procedures that provide a specific framework to cope with the security issues that could interfere with the normal execution of the national activities. In this context there is a need to undertake the development of a National Security Policy that provides clear definitions of Chile's threats, objectives to be achieved in order to cope with them, tasks to the different elements of power and the establishment of procedures of mechanisms to interact among the different components of the State.

Due to the lack of a clear definition of threats and regulated procedures to deal with them, there is a necessity for a permanent assessment of the situation, as well as for putting more attention in the relation among the different elements that take part in the regional relationships dynamic. The Bolivian case clearly depicts how an economic issue was altered into a territorial one in order to start the renewal of old claims over geographical aspirations.

The problems with Bolivia could be an obstacle towards integration in the region. Then, National Defense in a context of an integration process will imply in the future achievement of different agreements of cooperative security for protection of the territory and the development of tools and measures that provide timely assessment of the regional situation regarding to issues that could constitute non-conventional threats to National Security.

On the whole, Chile should continue developing a strategy through bilateral processes that considers the political, economical, defense and military areas. This strategy should provide a clear response to face non-conventional threats in order to solve the problem of the lack of a well-defined statement of how and who has to deal with menaces that are not well addressed in the defense policy.

In this sense, the political element of national power should coordinate the efforts of the other components of it, in order to provide direction and guidance to a strategy based in cooperation rather than intimidation.

Secondly, diplomacy should focus in create the conditions to start conversations with the Bolivian government in order to have a common perspective in the different steps towards the solution of this controversy. These actions should be done through both an indirect strategy – focused on the main global and regional international actors to obtain their support– and a direct strategy exerted over the Bolivian government in order to create the better conditions to start talking about the differences between the two countries, where the reestablishment of diplomatic relationships has a high priority.

Thirdly, the economic element of power must develop trade, tariff and finance mechanisms to facilitate the export and traffic in and out of Bolivia. The objective of this strategy must be focused on the generation of good economic conditions that allow Bolivia to improve its deteriorated situation without discussing sovereignty issues.

Finally, the military element of power should be oriented towards deterrence in order to negotiate from a strong position. Additionally, the development of trust building measures is another mechanism that must be considered to create the conditions for a better strategic environment in the relationships between the two countries.

A successful result of this strategy would be an historic transformation in the strategic relationship with Chile's northeastern neighbor.

WORD COUNT= 8,772

ENDNOTES

¹ Mainul Islam, *Globalization and State Sovereignty*, Strategy Research Project, (Carlisle Barracks: U.S. Army War College, 07 April 2003), 20.

² Ministry of National Defense of Chile, *Book of the National Defense of Chile*, (Santiago, September 1998) 42.

³ Ministry of National Defense of Chile, *Book of the National Defense of Chile*, 2nd ed. (Santiago, May 2003) 48.

⁴ Chilean Army War College, *Geopolitics Basic Theory*, (La Reina: ACAGUE, 2001), 27-30. These are the major actors that are studied in the Chilean Army War College and are the base for studying international relationships in the Chilean Army.

⁵ Ministry of National Defense of Chile, 49.

⁶ Richard Falk, *The Future of International States and International Order*, World Prisms. Course II Readings Vol.I, 107.

⁷ Phil Williams, Preface "New Contexts, Smart Enemies" in *"Non State Threats and Future Wars"*, ed. Robert J. Bunker, (Portland: Frank Cass, 2003), X.

⁸ Ministry of National Defense of Chile, Ibid.

⁹ Understood as those situations or actions that may interfere the normal execution of country's activities towards the accomplishment of a better standard of development.

¹⁰ Ministry of the National Defense of Chile, 1st ed., 210.

¹¹ Ministry of National Defense of Chile, 2nd ed., 48.

¹² Ibid, 63.

¹³ This concept is based on the Julian Freund's theory that says that the more relationships the more possibilities of differences or controversies may arise among the actors.

¹⁴ Col. Rodolfo Ortega and Col. Mauricio Pontillo, *The effects of Integration and Globalization Processes in National Security and Defense*, (Santiago: Chilean Army Studies and Research Center, 1998), 13

¹⁵ Jaime Eyzaguirre, *Brief History of the Chilean Borders*, (Santiago, Editorial Universitaria. 1998). 72-73.

¹⁶ Chilean Army War College, *Geography Handbook*, (La Reina: ACAGUE, 2000), 199.

¹⁷ "Will Chilean Concessions Buy Bolivian Stability", *Stratfor* 21 January 2004 [journal on-line]; available from <<http://www.stratfor.biz/Story.neo?storyId=227214>>; Internet; accessed 21 Jan 2004.

¹⁸ The most important event in this sense was the Monterrey Summit where President Mesa put the discussion on the last session of that meeting. Chilean President Lagos answered on

the spot that this is a bi-lateral issue that must be solved by both countries. In the occasion, Lagos offered the reestablishment of diplomatic relationship between the countries.

¹⁹ For more information see the complete official statement of the Chilean government about this issue available from <[http://www.minrel.cl/prensa/Comunicados2003/24-12-03\(1\).htm](http://www.minrel.cl/prensa/Comunicados2003/24-12-03(1).htm)>; Internet; accessed 30 January 2004.

²⁰ Arturo Valenzuela, "The Bolivian situation is a national security issue for Chile", interview by Marcela Alam, *La Tercera Online Edition*, 01 Feb. 2004; available from <http://www.latercera.cl/articulo/0,5819,3255_5664_49521165,00.html>; Internet; accessed 02 Feb 2004.

²¹ Military Studies and Research Center, "Chile in the Region". *CESIM* 2001; available from <<http://www.cesim.cl/pags/biblio/index.html>>; Internet; accessed 30 January 2004.

²² Ministry of National Defense of Chile, 2nd ed, 63.

²³ Ibid.

²⁴ Ortega and Pontillo, 12-16.

²⁵ Chilean Army War College, *Geopolitics Basic Theory*, 35.

²⁶ , Citizen Security Division, "National and Regional Drug Traffic Statistics" *Ministry of Interior*, November 2003; available from <http://www.seguridadciudadana.gob.cl/Informes/Inftrimestrales/2003tr3/2.1Inf_drogas_tr3_03.pdf>; Internet; accessed 30 January 2004.

²⁷ George W. Bush , *National Strategy for Combating Terrorism* (Washington, D.C.: The White House, November 2001), 1.

²⁸ Ministry of National Defense of Chile, 48.

²⁹ There was a terrorist attack over the Argentine Israeli Mutual association (AMIA) in Buenos Aires. The bomb attack destroyed the building and caused more than eighty deaths in 1994.

³⁰ Marisol Pena, "Chile and the Fighting Against Terrorism", *ANEPE*, December 2003; available from <http://www.anepe.cl/3_foro/columna_pegna2.htm>; Internet; accessed 30 January 2004.

³¹ Chilean Senate Press Department, "International Convention Against Terrorism", *Senado de Chile*, January 2004; available from <http://www.senado.cl/p3_noticias/site/edic/20040112111432/pags/20040115162159.html>; Internet: accessed 24 January 2004.

³² Jane's Sentinel Security Assessments. "Executive Summary – Chile". *Jane's Sentinel*, November 2003; available from <http://sentinel.janes.com/subscribe/sentinel/doc_view_print.html>; Internet; accessed 30 January 2004, 2.

³³ Chilean Army War College, *Geopolitics Basic Theory*, 39.

³⁴ Fishermen National Union. "Position of the Chilean Fishermen facing the Free Trade Agreement", *Parliament of the Sea*, June 2001; available from <<http://www.parlamentodelmar.cl/temas/conapachtlc.rtf>>; Internet; accessed 24 January 2004.

³⁵ It is the most important indigenous ethnic group that live in the southern part of the country (mainly in the VIII and IX Region).

³⁶ Latin News. "Country Report – Chile". *Latinnews.com* February 2004 [journal on-line]; available from <<http://www.latinnews.com/lcr/LCR2158.asp?instance=3>> Internet; accessed 30 January 2004.

³⁷ Ministry of National Planning and Cooperation. "Sub-Secretary of MIDEPLAN and Council of All the Lands sets a Working Table" *MIDEPLAN* November 2003; available from <http://www.mideplan.cl/sitio/Sitio/noticias/htm/031112_mid_po.htm>; Internet; accessed 30 January 2004.

³⁸ Joseph Tulchin and Heather Golding. "Introduction: Citizen Security in Regional Perspective" in *Crime and Violence in Latin America*, ed. Hugo Fruhling (Washington D.C.: Woodrow Wilson Center Press., 2003), 1.

³⁹ For more information visit "Carabineros de Chile Website" available from <<http://www.carabineros.cl/main.htm>>; Internet; accessed 30 January 2004.

⁴⁰ Hugo Fruhling. "Police Reform and Democratization" in *Crime and Violence in Latin America*. (Washington D.C.: Woodrow Wilson Center Press, 2003), 37.

⁴¹ Ministry of Justice of Chile. "Judiciary Penal and Procedural Reform: Strategic Guidelines" *Ministry of Justice of Chile*, January 2004; available from <<http://www.minjusticia.cl/leyes.html>>; Internet; accessed 30 January 2004.

⁴² Jane's Sentinel Security Assessments, 1.

⁴³ For more information refers to "2003 Third Trimester Report of National Statistics about Accusations and Detentions due to Social Crimes". Available from <http://www.seguridadciudadana.gob.cl/Informes/Inf%20trimestrales/2003%20tr3/1.1_Inf_nacional_tr3_03.pdf>; Internet; accessed 30 January 2004.

⁴⁴ Chilean Army War College, *Geopolitics Basic Theory*, 37.

⁴⁵ Military Studies and Research Center, "Chile in the Region". *CESIM* 2001; available from <<http://www.cesim.cl/pags/biblio/index.html>>; Internet; accessed 30 January 2004.

⁴⁶ Chilean Army War College, *Geopolitics Basic Theory*, 42.

⁴⁷ Humberto Oviedo, *Chile and MERCOSUR: One Strategic Perspective*, Strategy Research Project (Carlisle Barracks: U.S. Army War College, 10 April 2000), 4.

⁴⁸ Ibid.

⁴⁹ Islam, 19.

⁵⁰ Military Studies and Research Center, "Chile in the Region". *CESIM* 2001; available from <<http://www.cesim.cl/pags/biblio/index.html>>; Internet; accessed 30 January 2004.

⁵¹ The Free Trade Agreement with United States began to be fully executed since 01 January 2004.

⁵² The Free Trade Agreement with the European Union was signed in December 2003 and have permitted to increase the exports to that block in a 18%. More information available from <http://www.direcon.cl/frame/acuerdos_internacionales/documentos/Evaluaci%F3n%20Acuerdo%20Chile-UE.PDF>; Internet; accessed 31 January 2004.

⁵³ The two countries signed this agreement in February 2003. Currently is waiting to be ratified by the Korean Parliament. More information available from <http://www.direcon.cl/frame/noticias/f_noticias.html>; Internet; accessed 31 January 2003.

⁵⁴ MERCOSUR is a trade association conformed by Argentina, Brazil, Paraguay and Uruguay as permanent members. Chile and Bolivia have signed this commercial agreement just as associated members. More information available from <<http://www.mercosur.org.uy/pagina1esp.htm>>; Internet; accessed 31 January 2004.

⁵⁵ Oviedo, 11.

⁵⁶ Ibid, 23.

⁵⁷ Luchetti is a food company that had to close its plant in Lima in January 2003 and lost US \$ 150 millions. This situation also implied that more that 1,500 Peruvian employees were fired.

⁵⁸ A competing Peruvian airline, "Aerocontinente", started legal actions to forbid the presence of LAN-CHILE in Peru. The former argues that there is no reciprocity in Chile and that LAN-CHILE is not performing its activities according Peruvian regulations. The owners of the Peruvian company have proven links with money laundering and for this reason and its security standards were not allowed to operate in Chile.

⁵⁹ Chile has a Consulate in Bolivia. So does Bolivia in Chile.

⁶⁰ The other option was an embarking port in Peru. The Peruvian government made an extensive lobby to win the project. Its strategy also consisted in appealing to the history of the countries involved, in order to open the wounds over sensitive issues to win the concession of the project. See more information available from <http://www.elmostrador.cl/modulos/noticias/constructor/noticia.asp?id_noticia=70594>; Internet; accessed 31 January 2004.

⁶¹ See more information available from <www.stratfor.biz/Story.neo?storyId=227214>; Internet; accessed 31 January 2004.

⁶² Julien Freund's theory about "Cooperation and Conflict" states that the more relation you have among different actors the more possibilities to have disputes or controversies that could turn into tension or even conflict.

⁶³ Rigoberto Cruz and Augusto Varas "Presentation" in *Perceptions of Threat and Defense Policies in Latin America* (Santiago: R.V. Impresos S.A., 1993), V.

⁶⁴ This is the analogy for the American strategic concept of “ends”, “ways”, and “means”.

⁶⁵ Cruz y Varas, VIII.

⁶⁶ Ministry of National Defense, 2nd ed., 12-13.

⁶⁷ Ibid., 62.

⁶⁸ Ibid., 64.

⁶⁹ Ibid., 65.

⁷⁰ Ibid., 66.

⁷¹ Ibid., 80 – 81.

⁷² Ibid., 80.

⁷³ Ibid., 81.

⁷⁴ Ibid., 127.

⁷⁵ Ibid., 63-64. The Book of the National Defense analyzes the concept of non-conventional threats by conceptualizing them and defining their nature. It does not establish their characteristics and particular measures to be taken by the different elements of power in order to face the action of these kinds of threats.

BIBLIOGRAPHY

- Busch, George. *National Security Strategy for Combating Terrorism*. Washington, D.C.: The White House, November 2001.
- Chilean Ministry of Defense. *Book of the National Defense of Chile*. 1st. ed. Santiago: Ministry of National Defense of Chile, 1998.
- Chilean Ministry of Defense. *Book of the National Defense of Chile*. 2nd. ed. Santiago: Ministry of National Defense of Chile, 2003.
- Chilean Army War College. *Geopolitics Basic Theory*. La Reina: ACAGUE, 2001.
- Chilean Army War College. *Geography Handbook*. La Reina: ACAGUE, 2000.
- Citizen Security Division, "National and Regional Drug Traffic Statistics". *Ministry of Interior Website*, November 2003. Available from <http://www.seguridadciudadana.gob.cl/Informes/Inftrimestrales/2003tr3/2.1Inf_drogastr303.pdf>. Internet. Accessed 30 January 2004.
- Chilean Senate Press Department. "International Convention Against Terrorism". *Senado de Chile* January 2004. Available from <http://www.senado.cl/p3_noticias/site/edic/20040111432/pags/20040115162159.html>. Internet. Accessed 24 January 2004.
- Cruz, Rigoberto and Varas, Augusto. "Presentation". In *Perceptions of Threat and Defense Policies in Latin America*. I – IX. Santiago: R.V. Impresos S.A., 1993.
- Eyzaguirre, Jaime, *Brief History of the Chilean Borders*, 28th ed. Santiago: Editorial Universitaria, 1998.
- Falk, Richard. "The Future of International States and International Order" in *Readings Vol 1 Course 2: War, National Security Policy and Strategy*, 100-108. Carlisle Barracks: U.S. Army War College, 2004.
- Fishermen National Union. "Position of the Chilean Fishermen Facing the Free Trade Agreement". *Parliament of the Sea* June 2001. Available from <<http://www.parlamentodelmar.cl/temas/conapachtic.rtf>>. Internet. Accessed 24 January 2004.
- Fruhling, Hugo. "Police Reform and Democratization" in *Crime and Violence in Latin America*. 15 – 44. Washington D.C.: Woodrow Wilson Center Press, 2003.
- Islam, Mainul. *Globalization and State Sovereignty*. Strategy Research Project. Carlisle. Barracks: U. S. Army War College. 07 April 2003.
- Jane's Sentinel Security Assessments. "Executive Summary – Chile". *Jane's Sentinel* November 2003. Available from <http://sentinel.janes.com/subscribe/sentinel/doc_view_print.html>. Internet. Accessed 30 January 2004.

- Latin News. "Country Report". *Latinnews.com* February 2004. Journal on-line. Available from <<http://www.latinnews.com/lcr/LCR2158.asp?instance3>>. Internet. Accessed 30 January 2004.
- Military Studies and Research Center. "Chile in the Region". *CESIM* 2001. Available from <<http://www.cesim.cl/pags/biblio/index.html>> Internet. Accessed 30 January 2004.
- Ministry of Justice of Chile. "Judiciary Penal and Procedural Reform: Strategic Guidelines". *Ministry of Justice of Chile Website* January 2004. Available from <<http://www.minjusticia.cl/leyes.html>>. Internet. Accessed 30 January 2004.
- Ministry of National Planning and Cooperation of Chile. "Sub-Secretary of MIDEPLAN and Council of All The Lands Sets a Work Table". *MIDEPLAN* November 2003. Available from <http://mideplan.cl/sitio/Sitio/noticias/htm/031112_mid_po.htm>. Internet. Accessed 30 January 2004.
- Ortega, Rodolfo and Pontillo, Mauricio. *The Effects of Integration and Globalization Processes in National Security and Defense*, Santiago: CESIM, 1998.
- Oviedo, Humberto, *Chile and MERCOSUR: One Strategic Perspective*. Strategy Research Project. Carlisle Barracks: U.S. Army War College, 10 April 2000.
- Pena, Marisol. "Chile and the Fight Against Terrorism". *ANEPE*, December 2003. Available from <http://www.anepe.cl/3_foro/columna_pegna2.htm>. Internet. Accessed 30 January 2004.
- Stratfor.biz, "Will Chilean Concessions buy Bolivian Stability" *Stratfor.Biz*. January 2004. Journal on-line. Available from <<http://www.stratfor.biz/Story.neo?storyId=227214>>. Internet. Accessed 21 January 2004.
- Tulchin, Joseph and Golding, Heather. "Introduction: Citizen Security in Regional Perspective" in *Crime and Violence in Latin America*, ed. Hugo Fruhling, 1 – 12. Washington D.C.: Woodrow Wilson Center Press, 2003.
- Valenzuela, Arturo. "The Bolivian Situation Is a National Security Issue for Chile". Interview by Marcela Alam. *La Tercera On-line*. February 2004. Journal on-line. Available from <http://www.latercera.cl/articulo/0,5819,3255_5664_49521165,00.html> Internet. Accessed 02 February 2004.
- Williams, Phil. "New Contexts, Smart Enemies" in *Non-State Threats and Future Wars*, ed. Robert Bunker, Portland: Frank Cass & Co., 2003